

**JUMBO MINING CO.**

6305 Fern Spring Cove  
Austin, Texas 78730  
(512) 346-4537  
Telex # 76-7177

m/027/007, Drum  
**RECEIVED**  
JUL 14 1988

DIVISION OF  
OIL, GAS & MINING

July 11, 1988

File: DrumEnv

Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Gentlemen:

Re: Drum Mountain Project

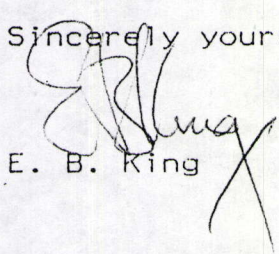
Please find enclosed your form, NOTICE OF INTENTION TO COMMENCE MINING OPERATIONS, MINING AND RECLAMATION PLAN. This form has been completed to the best of our ability and is accompanied by various maps and photographs which should assist you in your evaluation.

As indicated in the introduction, we are seeking to extend mining activities in and around the Drum Mine operation of Western States Minerals Corporation. This latter company has entered into an agreement to sell its holdings in the area to Asoma (Utah), Inc., which company in turn has subleased its holdings (including many other claims in the area which it has leased from others for several years past) to Jumbo Mining Company, on behalf of which this application is made.

By these rather complicated dealings, it will be possible to mine additional ores in the district, without building additional crushing, leaching, and recovery facilities, and the mining life of the district will be extended beyond that otherwise possible.

Please do not hesitate to call me if I can answer any questions or provide and additional information on the attached application. Meanwhile let me take this opportunity to thank you for your early consideration on this notice and application.

Sincerely yours,

  
E. B. King

***JUMBO MINING CO.***

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DRUM MOUNTAIN (UTAH) PROJECT

Notice of Intencion to Commence Mining Operations  
Mining and Reclamation Plan

July, 1988



## INTRODUCTION

The DRUM MOUNTAIN PROJECT as proposed herewith by Jumbo Mining Company will consist of two open pits, two test pits, and two underground mining operations. All of these activities will occur in an area which lies approx. 35 miles northwest of Delta, Utah, in Millard and Juab Counties (Sections 35 & 36, T14S, R11W; and Section 7, T15S, R10W ). Approximately 130,000 tons will be mined from the Alto Pit, Ibex Decline, Keystone Test Pit, and Monarch Test Pit (see Exhibit A). Ore will be hauled to the existing Drum Mine leaching operation for gold recovery. There, the ore will be crushed, stacked on top of existing heaps, and leached with the existing heap leaching and recovery equipment.

Jumbo Mining Company has independently controlled for several years the mining claims which contain the gold ores to be mined as described above; recently, it has entered into an operating agreement with Asoma (Utah), Inc., after it in turn had concluded a purchase agreement with Western States Minerals Corp. which provided for the transfer of essentially all of Western's assets which remain in the Drum Mountains to Asoma (Utah), Inc. This transfer will allow, without building an additional leaching installation, the processing of Jumbo's ores at the existing Western facility.

In addition to those ores originating from mining claims heretofore controlled by Jumbo, those ores remaining exposed in the sides and bottoms of Western's existing open pit mines will be removed and placed on the existing pads for leaching by Jumbo. It is estimated that about 200,000 tons of ore and 400,000 tons of waste will be mined from the existing pits. In addition, about 10,000 tons of ore will be mined from tunnels, extending downward from the bottom of the existing pits.

Waste rock will be dumped on existing waste dumps, and ore will be added to the tops of existing heaps. Thus no new areas will be disturbed by this continuing activity at the Drum Mine.

Western States Minerals Corp. will transfer all rights, permits, claims, and physical facilities to Asoma (Utah), Inc., who will in turn sub-lease the properties and equipment to Jumbo Mining Company. Thus, Jumbo as the new operator herewith requests a transfer to its name of the existing permits for mining and heap leaching at the Drum Mine site on land already disturbed and approved for mining and heap leaching by

.....Permit No. ACT/027/007

All future mining, heap leaching, and reclamation will be preformed by and be the responsibility of Jumbo Mining Company in accordance with the permits existing at the Drum Mine.

This notice of mining covers the Alto Pit, the Ibex Decline, the Monarch and Keystone Test Pits, and improvements to be made on existing haulage roads and new sections of haulage roads (together totally approximately 3 miles) to the Drum Mine. The total amount of land to be disturbed by these activities is .....



.....11.2 acres.

Most of this acreage has previously been mined or been disturbed by exploration activity, during the last 100 years that this has been a recognized mining district.

The Mizpah Pit shown on the maps and on Exhibit A will not be a part of this notice. An amendment will be filed at a later date when the soil, vegetation and reclamation studies have been completed.

Our present mining program is planned for completion within 24-36 months, and an additional 12-24 months will be needed to complete leaching and reclamation activities. Exploration will continue during this time to find new ore reserves, thereby extending the life of the operation. Reclamation is planned to be performed on a current basis, upon the determination of the abandonment of activities in each area.

#### RECLAMATION COST ESTIMATE

##### 1) Clean-up and removal of structures:

No structures are contemplated in the mining areas. The existing facilities at the nearby Drum Mine will be used as needed.

Cost estimate, trash only-----\$1,000

##### 2) Backfilling, grading and contouring:

In this very old and "well travelled" mining district, most areas which will be disturbed by the mining activities proposed here have previously been mined, explored with drill roads, or traversed by many old roads. Thus, only a little over a mile of "virgin" road will be prepared, and only a small fraction of the 12 acre mining area will be newly disturbed.

The outcrops of all dumps will be at the natural angle of repose. The top level of the dumps will be covered with topsoil, where available in the area and seeded with 15-20 lbs of seed, as in 3 e. of the application. Larger waste rock will be used to stabilize outcrops to minimize erosion.

Cost estimate (2 days D-8, 1 day grader)----- \$3,000

##### 3) Soil material redistribution and stabilization:

Topsoils do not exist to any extent on the orebodies proposed for mining (see attached photographs). However, it is anticipated that the fine clays and sand created by the mining activities on the flat areas on top of the waste rock piles will provide sufficient dirt, so as to allow the subsequent vegetation to reseed and to eventually exceed that previously existing on the steep rocky slopes.

Abandoned newly created roads will be levelled, contoured, and reseeded, using locally available soils.



Cost estimate-- also included as a part of 2)-----\$2,000

4) Revegetation (preparation, seeding, mulching):

Cost estimate--5 acres @ \$500/acre-----\$2,500

5) Safety and Fencing:

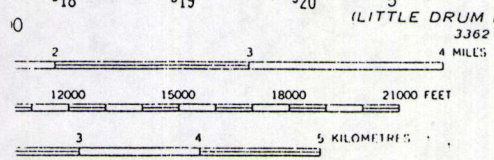
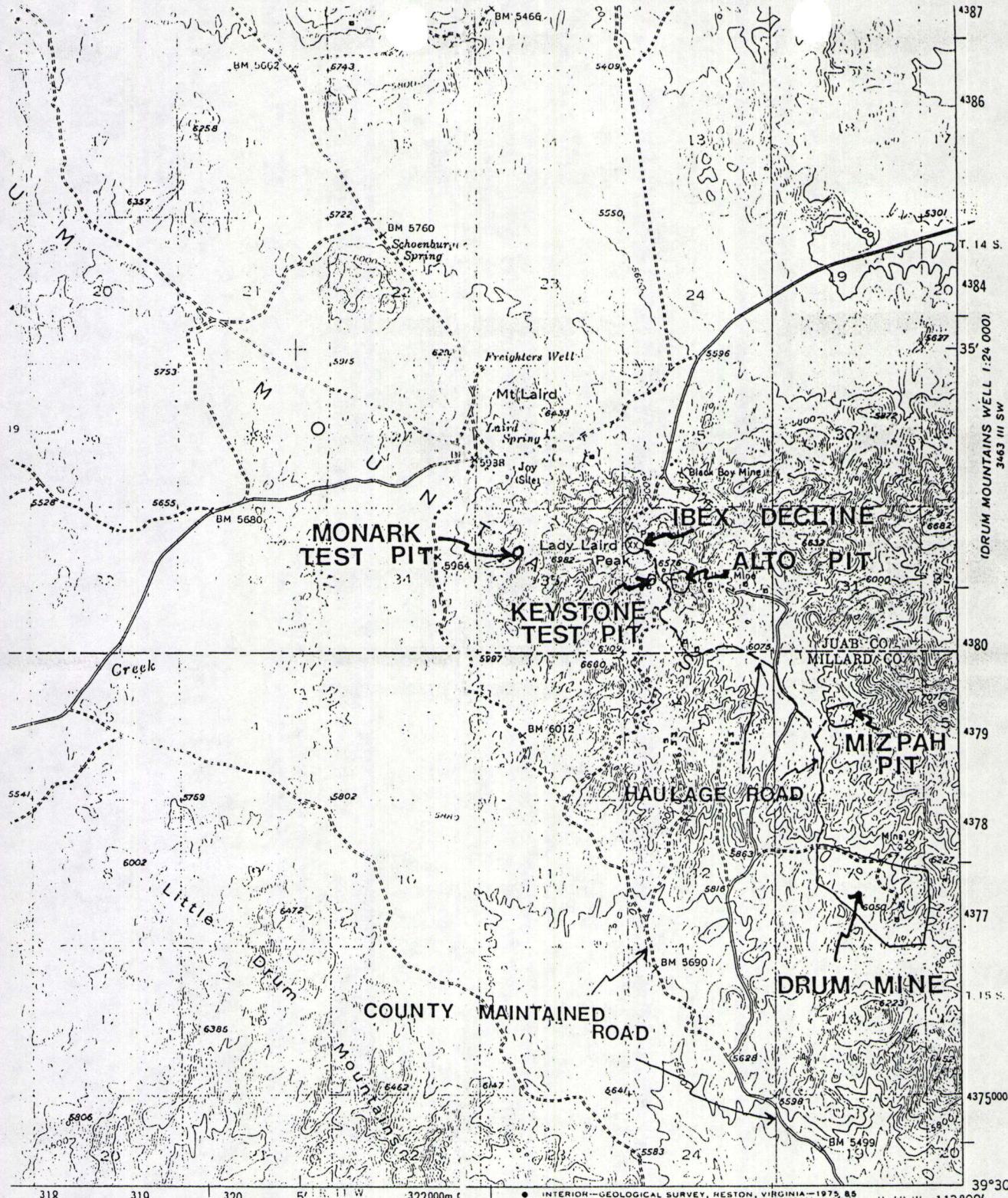
Cost estimate for berms and fences for three small pits and one underground portal-----\$3,000

6) Monitoring:

Monitoring will be done by Drum Mine personnel and cost will be included there.-----\$included  
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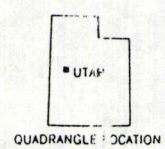
Total estimated reclamation cost.....\$11,500





40 FEET  
DATUM OF 1929

AP ACCURACY STANDARDS  
RADO 80225, OR RESTON, VIRGINIA 22092  
YMU015 IS AVAILABLE ON REQUEST



QUADRANGLE LOCATION

ROAD CLASSIFICATION  
Light-duty      Unimproved dirt

TOPAZ MTN., UTAH  
N3930--W11300/15

1953

AMS 3363 II--SERIES V797

# DRUM MTN. PROJECT